

## BUDGET SUMMARY

This summary provides an overview of the Lewis County budget by providing comparisons to previous years' revenues and expenditures. This section continues with a summary of the County's financial structure. Also included is summarized budget data which shows a breakdown of the Current Expense Fund and then all funds combined. The reader is encouraged to refer to the Operating Budget for a more detailed account of the individual department/office budgets.

### Budget Document Organization

This budget document contains legally required budget information, descriptive background information and various illustrative graphs and tables that will be helpful to the reader's understanding. It is divided into sections, the contents of which are explained below.

**Transmittal Letter** - The budget begins with a message from the Board of County Commissioners presenting the current budget. This letter addresses the budget process, major changes in General Fund and Other funds revenue and expenditures as well as significant issues the County addressed when preparing the current budget.

**Budget Summary** - This section contains a broad overview of the budget and the County's financial structure. It contains the County Organizational Chart and Elected/Director contact information. This section contains 2009 Accomplishments and 2010 Goals that are tied to the 2009-2012 Strategic Plan. Resolutions setting the budget and the County adopted salary grid. Summaries of Current Expense and other funds have been provided as well as a table showing estimated fund balances for all budgeted funds.

**Budget Process/Policies** – Presents the County's budget process and the general policies that guided the preparation of this budget document.

**Financial Plan** – Historical revenue and expenditures are presented for the Current Expense fund as well as a six-year forecast.

**Operating Budget** – The operating budget is organized by department, office and fund type with each tab representing data in that group.

**Capital Budget** – Detailed information on County capital projects budgeted for the current year. Each project contains a description, 5 year revenue and expenditure estimates and a picture (when possible) of the project site.

**Appendices** – Includes general information about Lewis County, staffing changes and a glossary of terms.



## LEWIS COUNTY COMMISSIONERS

LEWIS COUNTY COURTHOUSE  
351 NW NORTH STREET  
CHEHALIS, WA 98532-1900  
(360) 740-1120 • FAX: (360) 740-1475  
TDD: (360) 740-1480  
bocc@lewiscountywa.gov

**RON AVERILL**  
First District  
**BILL SCHULTE**  
Second District  
**F. LEE GROSE**  
Third District

**Sheila Unger**  
Board Administrator

### 2010 Budget Message

To the Citizens of Lewis County:

It is a pleasure to present the 2010 Budget. This past year many difficult decisions were implemented as reductions had to be made for both the 2009 and 2010 budgets. Revenue has decreased in many County funds due to legislative measures and the downturn in the economy. Each office and department has made significant contributions in meeting expenditure targets.

#### Budget Process

This budget represents many months of work on the part of County staff and your elected officials. The process began in March as Elected and Directors developed the Lewis County 2009-2012 Strategic Plan. The Strategic Plan now sets the priorities of the county for the next four years and each office and department are tasked with meeting milestones to accomplish the goals as set.

In May of 2009 a Budget Retreat was held to discuss the financial position of the County and discuss cost saving measures. The first priority set was to reduce Internal Service charges within the county. These reductions saved offices and departments almost \$1.5 million for 2010. Other reduction options included furloughs, freezing wages, staff reductions and contracting out services currently performed by the County. Each Office/Department used some or all of these options to balance the 2010 budget.

From July-August Offices and departments completed their recommended budgets. During this period each also reviewed efficiencies and identified priorities for the 2010 budget period.

During September each Elected and Director met with the Board of County Commissioners to present and discuss their budgets.

In October and November at meetings of the Executive Steering Committee the Elected Officials and Directors shared what they do and why with the group.

The Board of County Commissioners and staff presented the Preliminary budget in a public meeting during November. The second public hearing and adoption of the 2010 Budget was held on December 7, 2009.

#### General Fund

The General Fund is the County's primary operating fund, and holds the discretionary funding for the County. Revenue for this fund has decreased significantly in the past two years. It is estimated that 2009 will end with a revenue shortfall of close to \$2.8 million at the time of this writing. The 2009 General Fund budget was originally budgeted with a

\$2.47 million deficit (2009 expenditures more than 2009 revenue). In July of 2009 it was realized that revenue would be short by an estimated \$2.6 million. At that time the county reduced its expenditure budget by \$2.5 million in an effort to more closely match expenditures with revenue. Reserves were used to balance the 2009 budget.

Estimated 2009 revenue is \$32,170,704, and 2010 revenue has been budgeted at \$33,686,133. This is an increase of \$1,515,429. Revenue changes have played a significant part in balancing this year's budget. A Roads property tax shift of \$1 million, an increase in the road diversion to pay for increased traffic costs, and estimated increases in timber revenue have helped reduce the need to cut expenditure budgets even more.

Estimated 2009 actual expenditures are \$34,969,390 and the 2010 expenditures are budgeted at \$34,169,465. This is a decrease of \$799,925 from 2009 actual expenditures to 2010 budgeted expenditures. Most of this reduction was made through the reduction of Internal Services costs. These are costs charged internally for Information Technology, Fiscal, Human Resources, Risk, Fleet, and Facilities services. The cost savings from these departments were made using expenditure reductions such as cancellation of outside service contracts, furloughs, staff reductions and one-time use of fund reserves. Expenditure increases are mainly due to salary step increases and benefits for employees.

### **Flood Mitigation**

The county continues restoration work due to flooding over the past few years. Much of the road work was completed during 2008-2009 but many repairs are continuing into 2010. The County will continue working with Federal, State and Local agencies to find short and long term solutions to our flooding issues. The 2009-2012 Strategic Plan has set flood mitigation as a County priority.

### **Sustained Economic Development**

The Washington State Growth Management Board has accepted the Lewis County Growth Management Plan which raises invalidity orders and frees up land in South County for development. As the county grows, new revenue could ease the constant reduction of budget now required of the county. This is a long term solution and for the next few years the county will need to be vigilant in holding down costs. The Lewis County 2009-2012 Strategic Plan includes goals and milestones to move the County forward in this effort.

### **Total County Revenue**

The total county revenue budget (including the General fund) is \$102,975,371 for 2010 which is an increase over 2009 revenue of \$6,363,872. Funds are budgeted to use reserves in 2010. Roads has budgeted over \$3.0 million in reserve use that will be used to complete large projects budgeted for 2010.

### **Total County Expenditures**

Total County budgeted expenditures for 2010 are \$110,726,916 compared to the original 2009 budget at \$114,716,518. This is a decrease of almost \$4 million. The Roads Fund increased expenditures in 2010 by over \$9 million from the actual 2009 expenditures for continuing flood repair and construction projects. The Community Development Department and Health Department programs were reduced due the economic slowdown. Senior Service costs are no longer budgeted with the County reducing these

costs by almost \$1.4 million. Departments and offices have seen reductions in their budget for 2010 and have used a variety of methods to match expenditures to the budget restrictions.

### **Capital Improvements**

The 2010 Capital budget was reduced by \$649,000 from 2009 budgeted expenditures as many projects were completed or postponed. The projects completed in 2009 included renovation of a building for the Facilities Department, Coroner Evidence building, design work for the Courthouse plaza, 4-H Barn and the Fairgrounds paving projects. The 2010 transportation portion of the budget will be primarily focused on reconstruction of roads and bridges that were damaged or destroyed in the flood.

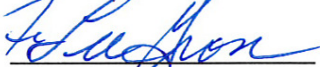
### **To our County Employees**

We encourage our county employees to excel in service to our citizens. It is absolutely imperative that each of us remembers our responsibilities as public servants. We have worked to ensure this budget provides appropriate compensation and benefits to our staff. We respect and value Lewis County employees and remind them of the awesome responsibility they possess in delivering public services. It is our responsibility to gain and maintain our citizens' trust in their government. Thank you for your service. It is an honor to serve with you.

### **To our Citizens**

Finally, we thank our citizens for the opportunity to serve as your County Commissioners. We value your input into County operations and services and want you to know that we intend to continue to improve the effectiveness and efficiency of your County Government. We believe this budget provides our citizens with value and will provide the resources necessary to help make Lewis County a great place to visit, do business, raise a family and retire.

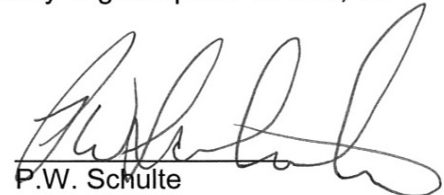
Commissioners:



F. Lee Grose



Ron Averill



P.W. Schulte